STAND. COM. REP. NO. 781

Honolulu, Hawaii **February 19**, 2015

RE: H.B. No. 169 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2015

Sir:

State of Hawaii

Your Committee on Tourism, to which was referred H.B. No. 169 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to increase the transient accommodations tax rate imposed on resort time share vacation units from 7.25 percent to 9.25 percent of the fair market rental value.

A concerned individual supported this measure. The American Resort Development Association opposed this measure. The Department of Taxation, Hawaii Lodging & Tourism Association, Tax Foundation of Hawaii, and Wyndham Vacation Ownership offered comments.

Your Committee has amended this measure by:

(1) Amending the definition of fair market rental value by deleting the requirement that the taxpayer use gross daily maintenance fees, unless it can be proved that the gross daily maintenance fees do not fairly represent fair market rental value;

- 787
- (2) Increasing each year by 1 percent the transient accommodations tax imposed on resort time share vacation units to gradually achieve a rate of 9.25 percent of the fair market rental value; and
- (3) Changing its effective date to July 1, 2020, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 169, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Tourism,

TOM BROWER, Chair

## State of Hawaii House of Representatives The Twenty-eighth Legislature



## **Record of Votes of the Committee on Tourism**

Bill/Resolution No.:	Committee Referral:	Date:	2/1	1/15
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
TOU Members	Ayes	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)				
Statistics of the state of the		2		
2. OHNO, Takashi (VC)	~			
		· · · · · · · · · · · · · · · · · · ·		
3. CACHOLA, Romy M.	<b>/</b>			
4. CHOY, Isaac W.				
7. CHOI, Isaac W.				( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( )
5. ITO, Ken				-
		:		Par Modelan
6. KAWAKAMI, Derek S.K.				
7 KONC Sam Satary	And And Andrews	· 		
7. KONG, Sam Satoru		Section 1	`	
8. ONISHI, Richard H.K.	V		E 4	
9. TOKIOKA, James Kunane				
	All the first of the second of	1 4 4 4 4 4		
10. TSUJI, Clift				
11 WOODSON L C. H				
11. WOODSON, Justin H.		. :		
12. MATSUMOTO, Lauren Kealoh	ilani		r	
Control of the Contro				
13. WARD, Gene			/	
TOTAL (13)	8	1	2	2
The recommendation is:  Adopted  If joint referral,  committee acronym(s)  The recommendation is:  Adopted  If joint referral,  committee acronym(s)				
Vice Chair's or designee's signature:  Jakshi D				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				